

# RSM Bird Cameron Partners

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7 December 2009

## Second Circular to Creditors

**Cape View Developments WA Pty Ltd (Administrators Appointed)**  
**ACN 109 689 643**  
**formerly known as Southern Timber Company Limited**  
**("the Company")**

Creditors should read this second circular to creditors (**Second Circular**) in conjunction with the circular to creditors dated 30 September 2009 (**First Circular**).

The purpose of this Second Circular is to generally report to creditors on progress in the administration and the activities of the Administrators since the issue of the First Circular.

### **Further Extension of Convening Period**

The First Circular advised creditors that a second meeting of creditors (**Second Meeting**) was to be convened by 2 December 2009, pursuant to an order of the Court.

For reasons outlined below, the Administrators applied to the Court for a further extension of time in which to convene the Second Meeting, pursuant to Section 439A of the Corporations Act 2001 (**Act**).

On 30 November 2009, the Court ordered that the Administrators may now convene and hold the Second Meeting at any time prior to 31 January 2010. A copy of the Court order is attached.

This further extension of the convening period was necessary to enable the Administrators to:

1. Properly consider a valuation report of Stage 3 of the Cape View Beach Resort Development (**Stage 3 Development**) received by the Administrators on 30 October 2009;
2. Consider the terms of a Deed of Company Arrangement proposal submitted to the Administrators by Pindan Pty Ltd late on 4 December 2009 (**Pindan DOCA Proposal**);
3. Ascertain support for the Pindan DOCA Proposal from key stakeholders and seek to negotiate agreeable DOCA terms with key stakeholders;
4. Convene a meeting of the Committee of Creditors; and
5. Prepare a formal report to creditors and a statement of the Administrators' opinion as to whether the administration should end, whether the Company should be wound up or whether the Company should execute a Deed of Company Arrangement.

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### **Other Activities of the Administrators**

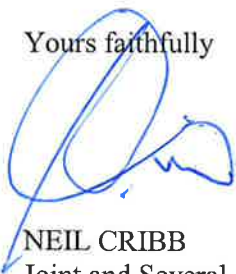
The Administrators have continued to investigate the affairs of the Company and the conduct of its directors, including but not limited to:

1. Obtaining legal opinions in respect of contracts for the sale of three (3) of the incomplete holiday bungalows;
2. Whether two (2) of those contracts may be uncommercial transactions as defined in Section 588FE of the Act;
3. Obtaining legal opinions as to the obligations of the Company in relation to contracts for the supply of furnishings packages to the purchasers of holiday bungalows prior to the appointment of the Administrators;
4. The status of a joint venture agreement made between the Company and the other owners of Stage 3 Development land;
5. The terms of the Development Approvals for the Stage 3 Development;
6. Investigations into the business, property, affairs and financial circumstances of the Company; and
7. Investigations into the discharge of statutory duties by the directors.

The Administrators intend to now consider the Pindan DOCA Proposal, liaise with key stakeholders including members of the Committee of Creditors, convene a meeting of the Committee of Creditors, and prepare a formal report to enable creditors to decide the future of the Company at the Second Meeting.

In the meantime, creditors should contact Mike Edmondson of this office on (08) 9261 9273 should they require any further information.

Yours faithfully




NEIL CRABB  
Joint and Several Administrator

IN THE SUPREME COURT OF WESTERN AUSTRALIA

COR 181 of 2009

IN THE MATTER OF CAPE VIEW DEVELOPMENTS WA PTY LTD  
(ADMINISTRATORS APPOINTED) ACN 109 689 643

EX PART

  
NEIL RAYMOND CRIBB AND GREGORY BRUCE DUDLEY  
AS ADMINISTRATORS OF CAPE VIEW DEVELOPMENTS  
WA PTY LTD (ADMINISTRATORS APPOINTED) ACN 109  
689 643

Plaintiffs

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**ORDER TO FURTHER EXTEND CONVENING PERIOD  
MADE BEFORE MASTER SANDERSON IN CHAMBERS  
30 NOVEMBER 2009**

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Filed on behalf of: The Plaintiffs

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UPON THE APPLICATION of the Plaintiffs by Interlocutory Process dated 27 November 2009 and UPON HEARING Mr T K Zaffino of counsel for the Plaintiffs IT IS ORDERED THAT:

1. The period within which the Plaintiffs must, by section 439A of the *Corporations Act 2001* (Cth) (**Act**), convene a meeting of the creditors of Cape View Developments WA Pty Ltd ACN 109 689 643 (Administrators Appointed) (**Company**) be extended to 31 January 2010.

2. Section 439A(2) of the Act is to operate to permit the convening and holding of the meeting of creditors of the Company required by section 439A of the Act at any time during the convening period as extended by order 1 above, provided the requirements of sections 439A(3) and 439(4) of the Act are complied with and provided the Plaintiffs give notice of the meeting to creditors at least 5 business days before the meeting.
3. Exhibit "NRC6" to the affidavit of Neil Raymond Cribb sworn 27 November 2009 be retained by the Court in a sealed envelope to be opened only by the order of a Judge.
4. The Plaintiffs have liberty to apply for a further extension of the convening period extended by order 1 above.
5. The Plaintiffs' costs of this application be paid from the assets of the Company.
6. Any interested person has liberty to apply to modify or discharge order 1 and 2 above.
7. The Plaintiffs give notice of these orders to the Company's creditors by means of a circular to be posted to the Company's creditors by ordinary post, no later than 7 days after the date of these orders.

BY THE COURT



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